

## Pentagon presses for 'emergency board'

by a Special Investigative Team

The Reagan administration, under the prodding of the Defense Department and the National Security Council, has taken the initial steps toward the creation of an emergency board with near dictatorial powers over the U.S. economy. While a national security blackout has been imposed on public discussion about the emergency board plan, *EIR* has confirmed its existence from various sources in the Defense Department, the Commerce Department, and in the White House itself. And though the secret plan is ostensibly to deal with the breakdown of the U.S. defense industrial base, its actual intent is to run the nation's economy during a period of collapse and crisis.

"Don't expect anything public for a little while because they want to have everything in place before announcing it," said one Defense Department official contacted last month. "And it is not just to look how industry can respond. It is total, total. It will deal with all types of emergencies, for the continuity of government."

Other sources indicate that "not everybody has been told everything" about how the yet-to-be-created board will function. All levels of the executive branch are at this point functioning on a "need to know" basis. Again, the ostensible purpose for all this secrecy is that the board is a "national security" question. In reality, the security lid within the government and on press reports is primarily a political question, designed to keep from elected officials and citizens alike what is happening.

### How it started

According to well-placed sources, the scheme was

initiated at the Aug. 17 meeting of the National Security Council with President Reagan in Los Angeles. Its probable origin is within the top echelons of the Department of Defense, the circle immediately around Defense Secretary Caspar Weinberger, and including his Deputy Secretary Frank Carlucci and the Swiss banking-connected Fred C. Iklé, the undersecretary for policy. This grouping takes its effective orders from a foreign power, the Bank for International Settlements. Our sources report that Weinberger made the major presentation of the plan at the Aug. 17 meeting. His presentation focused on the collapsed state of the U.S. defense industrial base and the near impossibility of carrying the proposed trillion-dollar buildup of conventional and limited nuclear war-fighting capabilities without action by the government.

Weinberger could have argued that the critical necessary remedy would be the immediate abandonment of the tight monetary policies of the Federal Reserve and its chairman Paul Volcker that have wrecked the U.S. economy. Instead, following BIS policy, Weinberger presented a plan to maintain the tight money and austerity policies backed by Volcker and budget director David Stockman, and still have his so-called buildup. Sources report that his plan centered on a phased creation of an "emergency mobilization board" with extraordinary powers. The President and his top advisers apparently took the bait.

Following the meeting, the word went out to various sections of the executive branch and its agencies to "start the ball rolling." Only certain individuals are

informed that a presidential order to create the new mobilization board is forthcoming. The public and most members of Congress are informed of neither operation.

## Two phases

There are two planned phases to the implementation of the Weinberger scheme.

The first phase is already under way, starting with the "word" from the National Security Council meeting. It involves planning and examination of potential bottlenecks in the defense sector, budgetary problems, constraints on resources; its goal is to identify problems involved in the militarization of what remains of the Volckerized U.S. economy.

From information obtained in interviews with relevant officials, this phase is under the apparent control of the Federal Emergency Management Agency (FEMA) and sections of the Defense Department principally under Carlucci and Fred Iklé. For example, three weeks ago, Weinberger announced the formation of the Task Force on Industrial Preparedness under Iklé, led by former LTV executive Sol Love, to examine problems involved in gearing up the defense base. Some people have confused this task force with the mobilization board. For the record, Love personally denies any knowledge of the new board.

The second, and currently supersecret, phase of the Weinberger scheme calls for the creation of a new structure, an Emergency Mobilization Board by presidential directive, to take over control of the economy. The new board would have powers similar to the War Mobilization Board which ran the economy during the last war. Other people within Iklé's command, however, did confirm the plans for the creation of the board. "Not only am I aware of this," said an official of Defense's emergency preparedness office. "But I am one of its architects." The same official indicated that the board would deal with more than the defense industry, stating "so much more is involved." He refused to elaborate, eventually stating that he lacked security clearance to do so.

According to a congressional source who talks regularly with Weinberger and Carlucci, and who knows the thinking in the White House, Reagan and his closest advisers have been sold the idea that a new board, reporting directly to the Office of the President or the National Security Adviser is "the only way to handle things." The board would be headed by a prominent person from the private sector, like Bechtel's George Shultz, since Reagan wants to avoid giving the job to a "government bureaucrat." This is important, the source said, "because the administration wants to keep its profile. . . . Reagan would rather have a board of top people from the private sector since his philosophy is that the private sector, not the government,

knows best how to deal with problems. This may not be important to everybody, but it is important to Reagan."

The Emergency Mobilization Board would be created by presidential directive and given the power to administer the provisions of the Defense Production Act of 1950. The Defense Production Act was passed specifically to give the President and delegated agencies within the executive branch broad power to dictate the disposition of labor and industrial resources for the national defense. The provisions of the Defense Production Act give a sense of the potential power of the proposed emergency board.

- **Title I** would allow the delegated body through the Departments of Defense and Commerce, to set resource-allocation priorities for minerals in a crisis.

- **Title II** would give the body the power to requisition and condemn private property as necessary.

- **Title III** gives the body the power to change tax laws and allocate credit for the development of crucial resources and minerals.

- **Title IV** gives the body the power to set wages and prices.

- **Title V** gives the body the power to outlaw and break strikes.

- **Title VI** calls for full control and regulation of consumer and real estate credit.

- **Title VII** allows for the voiding of antitrust laws and the establishment of "voluntary arrangements" among private-sector concerns.

The Defense Production Act has been renewed by Congress each year. Currently, Titles II, IV, V, and VI have been allowed to lapse.

Weinberger and the administration had requested an unprecedented five-year extension of the act, but legislation that passed House in July only called for a one-year extension. Senate action is still pending, while congressional sources report discussion about ways to reauthorize the full act. They say that the lapsed sections can quickly be reinstated. The need for congressional approval of what amounts to an act giving away congressional power in an executive-declared emergency is one of the reasons for the secrecy lid on the proposed emergency board. The plan is to let the act sneak through Congress, possibly with its full power restored, and *then* move for its implementation, through the new board.

Should the act fail to pass, then Weinberger and his collaborators would be forced to submit specific enabling legislation for their rule-by-decree scheme. This would create real difficulties, necessitating the cooking up of a major perceived international crisis.

Presently, the provisions of the act, especially the emergency-planning operation, is controlled by FEMA. While this arrangement could be continued even if the act is invoked, the thinking in the Defense Department

is that the new board would have much more clout than the already suspect FEMA operation, which was notorious for botching the crisis-management of various "emergencies" under the Carter administration. FEMA would remain, according to the current thinking, as a coordinating agency for the mobilization board.

There are two basic concepts that lie beneath Weinberger's emergency board plan. Despite what the gullible Reagan has been told, neither has anything really to do with an actual improvement in U.S. defense capabilities. Weinberger has no real intention of adding to the industrial base, or strengthening the economy. By supporting the Volcker policies, he is guaranteeing, in short order, a collapse of U.S. industry. In this context, what his proposal amounts to is the kind of military buildup that was carried out by Adolf Hitler—a buildup based upon the looting of the civilian base of the economy under conditions of austerity collapse.

What the currently proposed board would do is preside over the militarization of a shrunken, overall U.S. economy. This is confirmed by statements from a leading defense expert and consultant to the Defense Department, who spoke of the large amounts of idled capacity: "We do not need to open up new industry, but to get alternative suppliers. . . . The manpower question is the most important one. We could take people from the auto industry to defense. But we need a coordinated plan."

The only type of defense buildup possible under these conditions is the Hitler type of "quick fix." Hence the proposals in the Weinberger secret policy guidance that call for the development of first-strike capabilities and limited nuclear war-fighting.

That policy guidance, as described below, is based primarily on bluff, backed by the threat to take insane actions. From this standpoint, a mobilization board, with its near dictatorial powers can forward the bluff by expressing a determination to carry out a Nazi-type buildup.

But that is only one purpose of the plan. As Volcker's policies send the United States toward a depression collapse, the emergency board will serve as the seed crystal for the institutions that will be required to impose order by dictatorial decree. Weinberger's backing of the Volcker policies, under orders from the Bank for International Settlements, betrays his support for economic tyranny.

Because of the political considerations involved in the implementation of the emergency board scheme, there will be time between the carrying out of the first planning phases and creation of the board itself, and the invocation of the Defense Production Act: the reaction of the American population and its elected leaders to this threatened end of constitutional rule will be decisive in determining whether the plan succeeds.

## DOD's gameplan for limited nuclear war

by Lonnie Wolfe

The military doctrine that stands behind the creation of the Emergency Mobilization Board is contained in the so-called secret policy guidance prepared by the Weinberger Defense Department and leaked to the *Washington Post* and other media last month. It has been augmented by annexes prepared by the chiefs of the military services and submitted Aug. 15.

Evaluation of available published materials on the guidance and interviews conducted with relevant officials informed of its contents, reveals that it is premised on two basic assumptions.

First, the *most likely* war-fighting situation to develop against the Soviet adversary will be a protracted conventional or limited nuclear war, probably confined to the European or Southwest Asian theater, e.g. Iran. Priority is therefore placed on the development of limited nuclear capacities to implement the Carter administration's war-fighting and targeting directive, PD-59.

To a competent military professional, a comparison of in-depth U.S. war-fighting strength with the Soviet/Warsaw Pact forces would show that there is currently *no* actual situation in which "our side" wins against the vastly superior in-depth Warsaw Pact capabilities. As we have stated in earlier installments of this series, the only effective remedy for this situation would be an in-depth buildup of U.S. military and NATO forces. There is no way to accomplish this, if the U.S. adheres to Bank of International Settlements (BIS) austerity dictates. But Weinberger and his policy planners, like the Swiss-born Fred Iklé, are working according to BIS guidelines.

Despite the attempts of the press to term what Weinberger has proposed in the guidance a "military buildup," it is in fact nothing more than an expensive quick fix, emphasizing limited nuclear war capabilities. The guidance, therefore gives highest priority for the deployment of the Pershing II and cruise missiles on European soil, while showing U.S. resolve to use them at the slightest provocation. Similar weapons systems, dubbed theater nuclear forces and more accurately identified as potential first-strike systems by the Soviets, are to be stationed in the Pacific and Southwest Asia.